

ASRS Alternate Contributions – Reemployed and Contracted Retirees A Computational Supplement and Exemplar

This is Supplement to the GAO Technical Bulletin dealing with ASRS Alternate Contributions. The relevant Technical Bulletin should be reviewed to familiarize oneself with the terms and concepts discussed below.

Computational Examples

Example 1: Reemployed Employee

In this case, the Subject Amount is equal to the Gross Pay for the period under consideration.

Gross Pay / Subject Amount	\$1,000.00
Time the ACR in effect for the Fiscal Year Beginning July 1, 2012	8.64%
Alternate Contribution Due	\$86.40

Example 2: Independent Contractor

In this case, the Subject Amount is equal to the amount actually paid to the Independent Contractor for the period under consideration, less a 10% administrative fee. It is assumed that the Independent Contractor is performing the duties related to a Specified Position.

Total Contract Payments	\$1,000.00
Less a 10% Administrative Fee	\$100.00
Subject Amount	\$900.00
Time the ACR in effect for the Fiscal Year Beginning July 1, 2012	8.64%
Alternate Contribution Due	\$77.76

Example 3: Leased Staff

In this case, the Subject Amount is equal to the amount actually paid to the Leased Staff by the Leasing Company for the period under consideration. It is assumed that the Leased Staff is performing the duties related to a Specified Position.

Total Payments to the Leasing Company	\$1,000.00
Less 30% Gross Margin Retained by the Leasing Company	\$300.00
Amount Paid to Leased Staff / Subject Amount	\$700.00
Time the ACR in effect for the Fiscal Year Beginning July 1, 2012	8.64%
Alternate Contribution Due	\$60.48

Situational Examples

Example 4: Contracted Retiree

If a Contracted Retiree is engaged to perform services not relating to a Specified Position, then no Alternate Contribution is due. Assume that a Retired Member works for a public accounting firm that is engaged by an agency to perform an audit of a subcontractor working on the highway system or of payments made to the agency under a participation lease. No employee position has been authorized or funded by the Legislature to perform such services. No Alternate Contribution is due.

Example 5: Contracted Retiree

It is the end of the fiscal year. Several accounting positions in the agency have been left unfilled. Agency management engages a leasing company to provide Leased Staff to help with the year-end accounting chores. In this case, an employee would normally have performed the work under consideration and an employee position to perform the work has been authorized and funded. An Alternate Contribution is due.

Example 6: Reemployed Retiree

Since the retired member has been hired as an employee, he or she is filling an employee position that has been authorized and funded. An Alternate Contribution is due.